

## KENDALL

### REBATE POLICY

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#### • ELIGIBILITY TO RECEIVE REBATES

A distributor is eligible to receive a contract rebate **only** if:

1. The contracted product was **purchased directly from Kendall**. No "gray market/overstocked dealer" purchases are applicable.

Kendall will periodically review and compare distributor purchases of Kendall products directly from Kendall and rebates paid by Kendall to the distributor. The distributor must provide Kendall with a satisfactory explanation for any rebates in excess of direct purchases or those rebates will be disallowed.

2. The product was sold directly to a qualified customer eligible to purchase that product under a contract duly authorized by Kendall.

*Kendall reserves the right to conduct audits of the distributors purchases at reasonable times and the distributor agrees to cooperate fully in providing files and documents necessary for such audits. Kendall audits will include, but not be limited to, review of each customers purchases from the distributor which become the basis for any distributors rebate claim.*

#### • REBATE CONTRACT REQUIREMENTS

Rebate contracts are in effect only if an agreement number has been assigned by Kendall Pricing Administration.

The agreement number must appear on all rebate claims so that the claim can be identified with the specific rebate contract.

Rebates paid to the distributor will be computed by Kendall solely by reference to the customer agreement which is in effect for the end-user customer. The rebate amount for each product shall equal the difference between the rebate contract net price for such product and Kendall's lowest distributor price for such product (regardless of whether the actual price paid by the distributor exceeds such list price because the distributor purchased less than 20 cases of such product).

#### • FILING FOR REBATES

All applicable rebates are generated from rebate claims and credited to the distributor. No rebate claim will be processed by Kendall if received more than **90 days** from the date of the distributor's invoice to the customer.

Kendall claim forms must be completed in full and **evidence of sale to qualified customers** must be attached. Rebate tapes or EDI files with formats that have been approved by Kendall may be used in lieu of claim forms.

Proof of sale documents must identify hospital/end-user name, address, zip code, invoice number, invoice date, Kendall product code, quantity, unit of measure, agreement number and unit claimed amount.

If a **customer returns** product to the distributor, the return must be reported on the rebate claim request if the distributor previously received a rebate for those products. **Receiving double rebates is not permitted.**

**By signing the rebate request, the individual is certifying that the information is accurate and that the rebate request meets all the policy requirements.**

#### • DISTRIBUTOR LIST PRICE CHANGES

If Kendall changes its prices to the distributor, rebate amounts for qualified customers will be adjusted effective on the first business day of the month following the price change.

#### • UNAUTHORIZED REBATE PAYMENTS

In the event that the distributor claims and receives an unauthorized rebate payment as a result of a violation of these policies, Kendall reserves the right to:

Recover moneys paid by reducing future rebate credits, deducting any incentive moneys earned by the distributor or by direct payment to Kendall. Kendall also reserves the right to deny future rebate claims and to charge the distributor for reasonable costs associated with audit and collection procedures.